



VIRGINIA LOTTERY POWERBALL

REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE PERIOD APRIL 2017 THROUGH MARCH 2018

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Members of the Virginia Lottery Board
600 East Main Street
Richmond, Virginia

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Virginia Lottery and the other member lotteries in states of California, Georgia, Illinois, Massachusetts, Maryland, Michigan, New Jersey, New York, Ohio, and Washington (referred to as the "Member Lotteries"), which operate **Powerball**, solely to assist the Virginia Lottery and Member Lotteries with respect to the evaluation of the following financial information associated with Powerball: Virginia Lottery's sales and prize expense for the period April 2017 through March 2018, and the Virginia Lottery's receivable or payable as of March 2018. Virginia Lottery is responsible for its records of the financial information associated with Powerball. The sufficiency of the procedures is solely the responsibility of the Virginia Lottery and Member Lotteries. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

- A. We obtained from the Virginia Lottery the "Draw Activity" and the "Fixed Prize Analysis" reports for the period April 2017 through March 2018, and attached those as Exhibit I and II, respectively. We verified the mathematical accuracy of the schedules.
- B. We randomly selected the following five Powerball drawings from the period April 2017 through March 2018 for testing as indicated in "C," "D," and "E" below.

April 15, 2017
May 10, 2017
October 7, 2017

January 24, 2018
March 7, 2018

- C. For each drawing selected in step “B” above, we compared the total amount of sales as shown on the daily sales report produced by the Virginia Lottery’s gaming system and the total amount of sales shown on the related daily sales report produced by the Internal Control System (ICS) with the balance listed in the “Sales” column for the respective drawing on the “Draw Activity” report attached as Exhibit I and found them to be in agreement.
- D. We calculated the total dollar amount of the fixed prizes for the drawings selected in step “B” above, based on the total number of winners from the Virginia Lottery’s gaming system for each prize level and the prize structure of Powerball’s fixed prizes (as defined in the official game rules). We compared the calculated expense with the amount listed in the “Actual Fixed Prizes” column for the respective drawing on the “Draw Activity” report attached as Exhibit I and found them to be in agreement.
- E. For each drawing selected in step “B” above, we compared the amount of sales, actual fixed prizes, and share of fixed prizes shown on the “Draw Activity” report attached as Exhibit I to the amounts shown on the applicable Powerball Prize Settlement Reports and found them to be in agreement.
- F. For the period identified in step “B” above, we randomly selected two months and obtained the “Expired Prize Settlement Report” distributed by the Virginia Lottery. For the two months selected, we obtained the actual fixed prizes awarded from the Virginia Lottery ICS and the prizes unclaimed from Virginia Lottery’s financial accounting records. We compared this data back to the data reported from the Virginia Lottery for each draw of the subject months and found them to be in agreement.
- G. We compared the amount shown as the total of the actual fixed prizes and the total of the share of fixed prizes on the “Draw Activity” report attached as Exhibit I to the applicable amounts shown on the “Fixed Prize Analysis” report attached as Exhibit II and found them to be in agreement.
- H. We reviewed the “Cash Options Amount” column of the “Draw Activity” report attached as Exhibit I and found no amounts listed; therefore, no work was performed.
- I. There were no purchases of investments associated with jackpot prizes and; therefore, no work was performed.
- J. We compared the total of the quarterly transfers to/from the Virginia Lottery for settlement of the fixed prize liability as shown in the Virginia Lottery’s cash disbursement subsidiary records to the amount listed in the “Qtrly/Yrly Settlements Transfers In/(Out)” column on the “Fixed Prize Analysis” report attached as Exhibit II and found them to be in agreement.

- K. We compared the balance listed as the Virginia Lottery's payable as of March 2018 for the fixed prizes as shown on the "Fixed Prize Analysis" report attached as Exhibit II to the Virginia Lottery's financial accounting records and to the Powerball Prize Settlement Report as of March 2018 and found them to be in agreement.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. These agreed-upon procedures do not constitute an audit of financial statements or any part thereof, the objective of which is the expression of an opinion on the financial statements or a part thereof. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Virginia Lottery and Member Lotteries as specified above and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

AUDITOR OF PUBLIC ACCOUNTS

AVC/clj

Powerball
Virginia Lottery Draw Activity
From April 2017 through March 2018

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
PB	4/01/2017	656,880	106,334	59,311	\$ -	\$ -
	4/05/2017	558,146	52,951	74,085	-	-
	4/08/2017	629,958	54,314	67,721	-	-
	4/12/2017	577,392	47,863	63,382	-	-
	4/15/2017	681,038	66,131	86,825	-	-
	4/19/2017	621,826	55,772	141,876	-	-
	4/22/2017	717,292	64,283	96,736	-	-
	4/26/2017	715,066	65,551	254,950	-	-
	4/29/2017	813,180	77,594	92,942	-	-
	5/03/2017	800,630	73,756	91,915	-	-
	5/06/2017	914,978	79,242	209,192	-	-
	5/10/2017	871,726	77,551	271,461	-	-
	5/13/2017	956,106	83,001	181,721	-	-
	5/17/2017	1,039,364	97,216	143,611	-	-
	5/20/2017	1,154,806	108,967	163,076	-	-
	5/24/2017	1,166,436	153,174	190,388	-	-
	5/27/2017	1,329,464	124,711	247,987	-	-
	5/31/2017	1,539,232	238,054	158,855	-	-
	6/03/2017	1,833,442	210,224	331,509	-	-
	6/07/2017	2,157,804	200,395	241,247	-	-
CA	6/10/2017	3,227,088	399,986	450,827	-	-
	6/14/2017	580,858	46,859	51,204	-	-
	6/17/2017	667,502	54,900	72,693	-	-
	6/21/2017	589,768	56,309	76,796	-	-
	6/24/2017	681,046	66,184	76,364	-	-
	6/28/2017	622,236	104,975	72,122	-	-
	7/01/2017	780,734	64,591	83,074	-	-
	7/05/2017	677,874	56,460	88,283	-	-
	7/08/2017	814,180	1,070,885	186,005	-	-
	7/12/2017	757,248	72,873	178,292	-	-
	7/15/2017	868,072	75,649	88,415	-	-
	7/19/2017	799,596	71,626	90,403	-	-
	7/22/2017	937,084	1,089,355	261,797	-	-
	7/26/2017	886,308	86,714	185,087	-	-
	7/29/2017	1,052,090	97,521	125,674	-	-
	8/02/2017	1,024,770	137,610	185,281	-	-
	8/05/2017	1,424,640	142,869	335,533	-	-
	8/09/2017	1,966,646	235,133	249,995	-	-
	8/12/2017	2,849,946	250,455	483,462	-	-

**Powerball
Virginia Lottery Draw Activity
From April 2017 through March 2018**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	8/16/2017	3,133,572	331,852	398,547	-	-
	8/19/2017	5,743,786	735,125	749,897	-	-
MA	8/23/2017	11,880,350	2,689,610	2,798,145	-	-
	8/26/2017	802,896	68,463	83,017	-	-
	8/30/2017	735,052	80,926	98,264	-	-
	9/02/2017	854,892	1,073,139	287,074	-	-
	9/06/2017	720,488	112,158	162,674	-	-
	9/09/2017	877,256	70,040	89,735	-	-
	9/13/2017	787,398	66,254	83,342	-	-
PB	9/16/2017	886,196	126,044	270,768	-	-
	9/20/2017	610,392	52,624	65,342	-	-
	9/23/2017	689,514	58,530	75,663	-	-
	9/27/2017	632,372	55,589	245,511	-	-
	9/30/2017	747,924	65,941	84,910	-	-
	10/04/2017	687,388	204,148	76,577	-	-
	10/07/2017	812,792	132,945	102,190	-	-
	10/11/2017	746,628	65,542	107,571	-	-
	10/14/2017	872,680	134,977	91,910	-	-
	10/18/2017	807,802	73,038	81,035	-	-
	10/21/2017	931,414	86,328	96,929	-	-
PB	10/25/2017	892,194	82,488	124,110	-	-
	10/28/2017	593,206	57,560	58,439	-	-
	11/01/2017	602,488	104,770	71,757	-	-
	11/04/2017	682,500	166,548	100,164	-	-
	11/08/2017	610,790	50,619	72,783	-	-
	11/11/2017	701,020	111,692	85,737	-	-
	11/15/2017	674,196	55,676	77,182	-	-
	11/18/2017	773,970	67,089	81,335	-	-
	11/22/2017	764,522	73,474	84,870	-	-
	11/25/2017	728,312	119,658	89,578	-	-
	11/29/2017	730,672	58,412	155,649	-	-
	12/02/2017	855,138	175,489	100,099	-	-
	12/06/2017	800,560	76,765	104,892	-	-
	12/09/2017	892,826	1,130,440	252,331	-	-
	12/13/2017	887,174	140,662	124,230	-	-
	12/16/2017	1,048,028	150,717	194,161	-	-
	12/20/2017	1,109,066	92,604	110,498	-	-
	12/23/2017	1,506,596	186,153	206,798	-	-
	12/27/2017	1,453,770	186,692	243,768	-	-

Powerball
Virginia Lottery Draw Activity
From April 2017 through March 2018

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	12/30/2017	2,851,224	238,116	371,361	-	-
	1/03/2018	3,816,908	460,622	535,607	-	-
PB	1/06/2018	4,535,620	448,835	749,424	-	-
	1/10/2018	705,056	65,869	168,263	-	-
	1/13/2018	792,778	64,156	74,307	-	-
	1/17/2018	654,174	53,322	152,890	-	-
	1/20/2018	775,520	123,658	101,312	-	-
	1/24/2018	700,768	62,009	78,460	-	-
	1/27/2018	855,642	88,917	193,662	-	-
	1/31/2018	746,998	111,769	79,183	-	-
	2/03/2018	912,992	132,586	107,151	-	-
	2/07/2018	767,764	172,079	93,584	-	-
	2/10/2018	909,490	76,382	99,607	-	-
	2/14/2018	880,736	74,743	173,694	-	-
	2/17/2018	1,004,988	138,395	193,717	-	-
	2/21/2018	927,458	85,788	97,763	-	-
	2/24/2018	1,079,712	97,436	118,409	-	-
	2/28/2018	1,041,358	85,434	104,602	-	-
	3/03/2018	1,234,568	269,715	169,614	-	-
	3/07/2018	1,270,172	111,848	288,209	-	-
	3/10/2018	1,478,888	122,451	296,980	-	-
	3/14/2018	1,605,564	205,092	191,323	-	-
PB	3/17/2018	2,178,214	262,422	252,130	-	-
	3/21/2018	620,256	53,608	145,505	-	-
PB	3/24/2018	765,346	113,550	169,302	-	-
	3/28/2018	662,556	56,693	159,005	-	-
	3/31/2018	890,236	174,705	196,364	-	-
Total		\$125,875,258	\$19,539,019	\$20,259,007	\$ -	\$ -

Powerball
Virginia Lottery Fixed Prize Analysis
From April 2017 through March 2018

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/(Out)	Receivable (Payable)
Georgia	\$2,527,447	\$ 22,937,277	\$ 24,850,616	\$ 355,454	\$ 258,654
Illinois	(524,194)	26,073,569	26,033,771	(273,670)	(210,726)
Massachusetts	(226,464)	23,835,498	21,238,820	2,033,099	337,115
Maryland	451,920	13,777,595	17,750,778	(1,892,604)	(1,628,659)
Michigan	(1,964,938)	25,607,406	25,265,789	119,837	(1,743,158)
New Jersey	1,051,199	40,193,346	37,715,983	1,855,220	1,673,342
New York	2,122,242	65,619,058	63,120,110	3,112,073	1,509,117
Ohio	(2,128,952)	22,787,627	23,012,344	(1,925,561)	(428,108)
Virginia	(1,224,539)	19,539,019	20,259,007	(1,336,044)	(608,483)
Washington	(83,721)	10,361,086	11,484,263	(2,047,804)	840,906
Total	\$ -	\$270,731,481	\$270,731,481	\$ -	\$ -